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PREPARATIONS FOR THE SPECIAL SESSION OF THE GENERAL ASSEMBLY FOR THE PURPOSE OF AN OVERALL REVIEW AND APPRAISAL OF THE IMPLEMENTATION OF AGENDA 21

Letter dated 8 April 1997 from the Chargé d'affaires a.i. of the Permanent Mission of Bangladesh to the United Nations addressed to the Secretary-General

I have the pleasure to bring to your attention the report of the Ad-Hoc Expert Group Meeting on the Implementation of Special Measures for the Least Developed Countries in Agenda 21, which was held at United Nations Headquarters on 3 and 4 April 1997.

I should be grateful if you would have the present letter and the accompanying report of the Expert Group circulated as an official document of the fifth session of the Commission on Sustainable Development.

(Signed) Mohammad ZIAUDDIN
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Coordinator of the LDCs in New York

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Annex

AD-HOC EXPERT GROUP MEETING ON THE IMPLEMENTATION OF SPECIAL MEASURES FOR THE LEAST DEVELOPED COUNTRIES IN AGENDA 21

UNITED NATIONS HEADQUARTERS
New York
3-4 April, 1997

REPORT OF THE AD-HOC EXPERT GROUP MEETING

INTRODUCTION

1. The Office of the Special Coordinator for Africa and the LDCs (OSCAL) of the UN Department for Policy Coordination and Sustainable Development (DPCSD) and the United Nations Conference on Trade and Development (UNCTAD) convened an Ad-Hoc Expert Group Meeting from 3-4 April, 1997 to evaluate the progress made in the implementation of the special measures for LDCs in AGENDA 21 and to make recommendations that would be considered by the Special Session of the General Assembly to review the 1992 United Nations Conference on Environment and Development. Twelve experts from 11 LDCs participated at the meeting. In addition to reviewing progress in the implementation of the special measures for LDCs in Agenda 21, they exchanged views on country-level experiences as regards formulation and implementation of national policies and strategies for sustainable development.

2. A number of experts from the United Nations system, including UNCTAD, UNDP, and the DPCSD, and international experts representing the NGO and academic communities, attended the meeting as resource persons. Representatives of some member countries participated as observers. A list of participants is attached.

3. The meeting was chaired by Mr. Francisco Mabjaia of Mozambique and Mr. Abdul Latif Mondal of Bangladesh served as Vice Chairman-cum-rapporteur. The meeting was opened by Mr. Chandra Patel, Officer-in-Charge of the Office of the Special Coordinator for LDCs in UNCTAD and an opening statement was made by Mr. Emmanuel Goued Njayick, on behalf of the Special Coordinator for Africa and LDCs in DPCSD.

4. The meeting emphasized that Agenda 21 needs to be complemented by more specific policies and measures that would give concrete expression to the special priority it attaches to LDCs. In light of the slow progress in the implementation of special measures in Agenda 21 for LDCs, the meeting recommended national, regional and international actions and external support measures in a number of areas mentioned below, and recommended that the Special Session of the General Assembly should take them into account in formulating measures for LDCs.

NATIONAL POLICIES FOR SUSTAINABLE DEVELOPMENT IN LDCs

5. Agenda 21 recommended, inter alia, a series of international, regional and national-level actions by countries to promote economic policies conducive to sustainable development. Most LDCs in recent years have embarked on a wide-ranging policy reform process. In this regard, areas of attention by LDCs have been in line with those highlighted in Agenda 21, and include reducing fiscal and external deficits, improving mobilization and use of domestic resources, enhancing the efficiency of the public sector, trade and exchange liberalization, and providing greater opportunities to the private sector. LDCs have also initiated reforms in such critical areas as population, education, health, and food security. An increasing number of LDCs have also put in place mechanisms to ensure greater popular participation in development.

6. The socio-economic difficulties in LDCs are further aggravated by a specific set of environmental problems, such as land degradation, coastal erosion, drought and desertification,

poor water quality and scarcity, deforestation and endangered natural endowments. These environmental problems are, in turn, affected by certain complex and inter-related factors, including poverty and poverty-related population pressure, cross-border movements of refugees and displaced persons, and natural and man-made disasters.

7. Pursuant to the recommendations of Agenda 21, a large number of LDCs have made attempts to incorporate environmental concerns into their national development policies and strategies. Many have elaborated National Environment Action Plans (NEAPs) and identified key environmental issues facing their countries, as well as specific measures to arrest and reverse environmental degradation and promote sustainable development. A number of NEAPS also set out environmentally desirable policy objectives for major sectors, such as agriculture, industry, health and sanitation, biodiversity, energy, including rural energy. Many LDCs are also undertaking specific actions to cope with urgent environmental problems such as drought, desertification, land degradation, coastal erosion and natural disasters.

8. However, the scope, speed and effectiveness of these measures are constrained by a number of factors, such as inadequate resources, particularly external financial and technical support and external indebtedness; lack of prior experience and institutions dealing with environmental issues; shortage of qualified manpower, appropriate environmentally sound technologies, and domestic research capacity; conflicting objectives and priorities of environmental conservation and economic growth in certain cases; and the overall complexities in understanding and implementing Agenda 21.

9. The Expert Group noted that some LDCs have not adopted national Agenda 21 and encouraged these countries to accelerate the elaboration process, and for the countries which have already done so, to launch the process of elaboration of local Agenda 21 in accordance with conclusions and recommendations of UNCED contained in the Agenda 21. The group also called upon LDCs development partners to support LDCs in the process of elaborating and implementing national and local Agenda 21.

10. The Expert Group expressed concern about the slow progress made in implementing the special measures for LDCs called for in the Rio Declaration and Agenda 21 and urged all donors and UN bodies to accord high priority to study and find appropriate solutions to the constraints outlined above in paragraph 8. It noted that future policies and actions by both LDCs and their development partners should focus on these constraints and build on the lessons learned from the implementation of existing policies and measures as well as "best practices" in LDCs and elsewhere. On their part, LDCs would need to continue their efforts towards integration of environment considerations in their development policies and strategies, through, inter alia, addressing, in an integrated manner, the intertwined concerns of poverty eradication and improving environmental management; enhancing awareness among local communities in both rural and urban areas, including women, of the benefits of environmental protection; developing human resources as well as institutional and technological capacities to deal with environmental problems as an integral component of overall national capacity building efforts; and providing incentives for improved natural resources management and better energy use.

FINANCING SUSTAINABLE DEVELOPMENT

11. Bearing in mind the principle of common but differentiated responsibilities stipulated in Principle 7 of the Rio Declaration, the Expert Group expressed serious concern that ODA to LDCs has dropped to 0.07 per cent of the GNP of donor countries, which is in sharp contrast to the commitment of 0.15 per cent made in the Programme of Action for the LDCs. It stressed that FDI cannot be regarded as a substitute for ODA, as the share for LDCs in relation to total flows to developing countries was 1 per cent in 1994 and 1995.

12. While the need for adequate resource transfers were emphasized, it was felt that building national capacities to assist in the assessment of resource requirements for sustainable development in LDCs was required and clear priorities should be established at the national level as regards the use of such resources. Many participants identified priorities such as the provision of fresh water, sewage treatment, combating desertification, and sustainable agricultural and rural development and sustainable forest management. External financial flows could also act as a catalyst for generating resources at the national and regional levels.

13. The Expert Group recommended that:

- donor countries should expeditiously implement their ODA commitment to LDCs as called for by the Programme of Action for the Least Developed Countries in the 1990s. They should also fulfil their financial commitment made at Rio, and other major UN Conferences and Summits by providing adequate new and additional resources;

- donor countries and multilateral financial institutions should assist LDCs by facilitating the use of ODA as leverage to attract FDI, facilitate trade expansion as well as private flows in the area of environment and development;

- as regards funds and facilities in the area of sustainable development, GEF funding for LDCs should be substantially increased and the Facility should follow Capacity 21's lead and assign an allocative target for funding projects in LDCs. In addition, the procedures to access this Facility should be made flexible for LDCs and donors should simplify aid procedures with the goal of expediting the approval of projects.

14. The Expert Group noted that a number of innovative financial mechanisms are currently under discussion in international fora. The LDCs should be given specific focus in the process of their establishment and disbursement of funds once established.

15. Unsustainable external debt continues to be a drag on the ability of LDCs to fund sustainable development programmes. The Expert Group took note of recent positive developments to address this issue, in particular, the initiative for Highly-Indebted Poor Countries (HIPC), of which 29 of 41 potential beneficiaries are LDCs. However, it called upon multilateral financial institutions to make its implementation more flexible to cover a greater number of LDCs and to confer the benefits expeditiously. The Group also recommended that

the Special Session encourage creditors to streamline procedures to make it easier for LDCs utilize debt-for-environment swaps and donor countries to consider the creation of dedicated environmental funds for sectors and activities in LDCs such as sustainable agriculture, forestry, integration of environment in decision-making, population programmes and strengthening environment-related NGOs.

TRADE AND ENVIRONMENT

16. LDCs are marginalized from the international trading system largely because of problems of market access and supply side constraints. Complex environmental requirements may further exacerbate these constraints. The need to implement special measures, including the possibility of providing duty free or concessional tariffs, to promote market access for products of export interest to LDCs was also recognized. The Expert Group urged the members of the WTO to expedite the implementation of the Plan of Action in favour of LDCs agreed upon by the WTO Ministerial Conference held in Singapore, December 1996.

17. The export to LDCs of hazardous and potentially hazardous products, such as food and drugs sold beyond their expiry dates, was a matter of serious concern. Prior information and building capacity to deal with these products was deemed important. Some noted that WTO should consider special measures to ban such exports. Further studies on the magnitude of the problem, monitoring mechanisms and possible solutions to this problem were required.

18. LDCs frequently lack the means of implementation of national environment policies. It was recognized that while there may be market opportunities for environmentally friendly goods and services for LDCs, such as eco-tourism, technical assistance and infrastructural support, including institutional infrastructure are needed to exploit such opportunities.

19. In the context of Multilateral Environmental Agreements (MEAs), the need to design and implement positive and supportive measures for LDCs was noted. This may be lacking in particularly in MEAs which were of interest to LDCs. Problems related to desertification were particularly noted in this context. It was also noted that MEAs have, in certain cases, led to the dumping of obsolete products to LDCs (for example CFC using old refrigerators and air conditioners) and measures are needed to mitigate this.

20. In integrating trade, environment, and development, the scope for regional, bilateral and multilateral cooperation should be extended to include technological development and environment-related issues such as monitoring the movement of hazardous wastes and domestically prohibited goods; the establishment or further development of testing and certification bodies; the promotion of eco-friendly raw materials, such as eco-friendly dyes; and the coordination of approaches to FDI, with a view, inter alia, to ensuring access to and transfer of ESTs, and developing national capacities for early warning assessments of the possible local environmental consequences of trade. Existing institutional mechanisms for regional cooperation could be used for this purpose. Many of these areas are technically complex and will require close collaboration at bilateral and multilateral levels with countries and institutions which have

the relevant expertise. In this context, the provision of ESTs and FDI assumes greater importance, particularly in meeting the objectives of MEAs.

21. Experts noted that, with regard to making trade and environment mutually supportive, given the small size of LDCs trade and their supply constraints, it is difficult for them to generate the resources required to sustain "best environmental practices." Participants expressed concern that some countries could use differing environmental standards as trade restrictive measures. The mid-term Global Review of the Implementation of the Programme of Action for LDCs recommended inter-alia that environmental considerations should not be used to constrain LDCs exports. It was also recognized, that with adequate support for commodity diversification programmes, as advocated by the Mid-Term Global Review of the Implementation of the Programme of Action for the Least Developed Countries in the 1990s in September, 1995 and by the Ad Hoc Committee of the Whole of the General Assembly which reviewed the United Nations New Agenda for the Development of Africa in the 1990s (UN-NADAF) in September, 1996, opportunities exist for non-traditional exports from LDCs, including environmentally-friendly products.

22. The Expert Group called on bilateral and multilateral development partners to support the LDCs in the following areas:

- trade liberalization and market access, including safeguarding existing market access conditions, providing additional duty free access, dismantling non-tariff, technical and procedural barriers, and removing supply constraints.

- investment: (a) providing special fiscal and other incentives in both home and host countries to encourage FDI flows as a source of long term capital; and (b) enhancing the role that FDI can play in the advancement of their social and environmental objectives.

- special measures in favour of small and medium sized enterprises (SMEs)

- implementation of positive measures to assist LDCs to become Parties to MEAs and to tackle the environmental problems that the MEAs seek to resolve, in keeping with the principle of common but differentiated responsibility.

- information on potentially hazardous wastes and products: assisting capacity building in LDCs, who lack the ability to ensure safe use, owing to inadequate infrastructure for controlling the importation, distribution, storage, and disposal of such goods.

- sustainable tourism: launching a study of the infrastructure requirements for developing sustainable tourism and identification for the possible sources of finance for this activity.

CAPACITY-BUILDING FOR SUSTAINABLE DEVELOPMENT

A) The Transfer of Environmentally Sound Technologies (ESTs)

23. The Expert Group emphasized the issue of building capacity in developing indigenous ESTs and, in this context, a bottom-up approach, which takes account of local needs and constraints, was recommended as the best approach. In addition, the Group pointed to the need for building capacity to improve the absorption and adaptation capacities for ESTs in LDCs. In this regard, it was noted that concrete targets for capacity building should be set up to decrease illiteracy, increase vocational training, as well as institutional capacity, particularly to implement environmental laws, implement environmental management systems, and create an enabling environment. It was also noted that the approval time for funding projects on technology transfer should be reduced.

24. Given the varying priorities of different LDCs, it would be necessary to ensure that only technologies which are appropriate to the social, economic and environmental priorities of LDCs were transferred. Technology needs assessments should translate to concrete investment proposals. Information networks and means of accessing information on ESTs need to be developed. The Group also expressed the view that LDCs should be able acquire patents and publicly funded ESTs for transfer on preferential and non-commercial terms.

25. The Expert Group recommended the following actions in support of LDCs:

- the establishment of a database of endogenous technologies in developed countries and LDCs should be established, to facilitate sharing of information and transfer of related technologies among LDCs and their development partners. This could also cover environment related technologies of interest to LDCs;

- building on existing capacities, a more concerted effort to encourage the use of technology needs assessment as a tool for promoting the transfer of appropriate environmentally sound technologies to LDCs, and strengthen national capacity in technological assessments;

- the establishment of partnership arrangements among LDC governments, donor agencies, and medium, small and micro-enterprises with a view to promoting investment in cleaner production technologies. This could include sharing information on common constraints to the transfer and assimilation of ESTs;

- further efforts by Governments of developed countries, in accordance with Agenda 21, para. 34.18 (iii) and (v), to acquire privately owned technology in order to transfer it on concessional terms to LDCs;

- the examination of possible special measures in favour of LDCs, including establishing special credit lines to promote the diffusion of ESTs to developing countries, in particular LDCs;

- the promotion by developed countries of technology transfer to LDCs in order to assist them in creating a sound and viable technological base, in accordance with Article 66.2 of the Uruguay Round Agreement on trade-related intellectual property rights (TRIPs).

- the promotion by governments of developing countries of measures to strengthen South-South cooperation for technology transfer, particularly for labour-intensive technologies, and capacity-building.

B) Training

26. Capacity-building and human resource development play a key role in supporting LDCs in their efforts to achieve sustainable development. In integrating economic and social development and environmental protection, projects and programmes should combine the objectives of poverty eradication, the development of export supply capabilities and improved environmental management. This requires investments in infrastructure and institutional capacity building. Furthermore, projects should be designed and implemented at the grassroots level, in close cooperation with the developmental NGOs working in LDCs, and local institutions and communities in both rural and urban areas.

27. The Expert Group recommended that capacity-building activities could focus on the following areas:

- building institutional capacity to strengthen coordination of policies in the areas of poverty eradication, trade and environmental management. This also involves the promotion of coordination between different Ministries, grassroots organizations and the business community;

- facilitating the effective participation of LDCs in multilateral deliberations and negotiations on trade, environment and development. This may require the organization of briefings; training of officials participating in international deliberations and negotiations on trade and environment; and carrying out special studies.

28. The experts noted that U.N. system organizations are helping LDCs to strengthen their capacity to implement AGENDA 21. However, while many LDCs have received assistance in designing their national plans and have included the views of non-governmental organizations in their design, greater efforts have to be directed towards strengthening the capacity of national and local governments, NGOs and community-based organizations (CBOs) to implementing sustainable development programmes and projects in a partnership framework. The use of national experts should be promoted in this context.

28. The experts noted that much remains to be done in regards to helping LDCs establish national databases on natural resources, (climate, soil, terrain conditions, water resources, and vegetative cover), including their actual and potential use, and strengthening their national capacities for early warning assessments and analysis.

FOLLOW-UP ACTIONS

29. The Expert Group urged all Governments, organizations, funds and programmes of the United Nations system, including the Bretton Woods Institutions, other concerned international organizations and non-governmental organizations to undertake appropriate follow-up actions to implement the recommendations of the meeting, in particular, and of Agenda 21 in general, with a view to promoting sustainable development in LDCs.

30. Member states of the UN system are urged to take into account the conclusions and recommendations of the meeting in formulating the outcome of the Special Session of the UN General Assembly to held during June 1997. The Secretary General of the United Nations is invited to consider establishing an inter-agency mechanism with a view to facilitating the monitoring of UN system actions in favour of LDCs in the implementation of Agenda 21.

31. The Expert Group decided to request the chairman to present its report to the Fifth session of the CSD to be held in New York on the 7-25 April 1997. The CSD is urged to accord focussed treatment to the LDCs in its future work.

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